



CORPORATE FINANCE

Factors affecting Sukuk issuance

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Darshan Bijur

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Market factors affecting Sukuk issuance

Supply

- Structuring challenges
- Underlying assets

Demand

- Appetite for Fixed income and US\$ exposure
- Liquidity/Tradability
- Asset quality



Market factors affecting Sukuk issuance

Supply

- Structuring challenges
- Liquidity facility
- Buy back guarantee
- Tradability



Market factors affecting Sukuk issuance

Supply

- Underlying assets
- Issuers who have used them running out of head room
- Structures moving from Ijarah to others
- Asset quality/collateral likely to deteriorate over time



Market factors affecting Sukuk issuance

Demand

- **Appetite for fixed income and US\$ exposure**
- **Western demand - flight to quality**
- **Return too low for local markets**
- **Uncertainty about US\$ peg**



Market factors affecting Sukuk issuance

Demand

- **Liquidity/Tradability**
- **Buy to hold**
- **Thin volumes**
- **Imperfect markets**



Market factors affecting Sukuk issuance

Demand

- Asset quality
- Structuring challenges may impair quality
- Concentration in Real estate and Oil/Gas
- Everyone wants to dip in



Speaker contact details



Darshan Bijur
Director -Islamic Finance and Investments

Telephone: +44 20 7311 4527

Mobile: +44 771 570 5005

Email: darshan.bijur@kpmg.co.uk

